

CHAPTER 6 – FINANCIAL PLAN

LAKE HAVASU CITY MUNICIPAL AIRPORT LIMITED MASTER PLAN UPDATE

*Prepared for:
City of Lake Havasu City*

*Prepared by:
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6.1 OVERVIEW

The Financial Plan for LHC Municipal Airport as per the Limited Master Plan Update includes a recommended Development Phasing Plan and Capital Improvement Program. In addition, a Rates and Charges Study is being conducted separately from the Limited Master Plan Update, which has been submitted, in draft, to City staff for review.

6.2 DEVELOPMENT PHASING PLAN

The Development Phasing Plan updates the airport development schedule from the 1994 Master Plan per the findings of this study. The four-phase plan is prepared to accommodate from short-range to long-range airport requirements, covering periods through year 2000, 2005, 2010, 2015.

Phasing of the program reflects an assessment of the relative priorities of various proposed projects and approximate timing of the anticipated requirements. Projects listed in the first and second phase are considered to be the highest priority and should be implemented to satisfy facility requirements through the year 2000 and 2005. These projects are included in preparing the Capital Improvement Program. Additional facility requirements beyond the first and second phase should be implemented when demand trigger points have determined the need for programming and development.

For the purpose of the Limited Master Plan Update, the Development Phasing Plan only identifies available funding sources. Actual funding levels to cover project costs are estimated when the airport requirement is realized to the point of being included into the Capital Improvement Program. This approach allows for better estimation of funding levels and costs associated with the specific needs identified by the actual demand activity levels.

6.2.1 Phasing Plan

Table 6-1
Development Phasing Plan

FY	Project Description	Federal Funds	State Funds	Local Funds
Phase I (Present – 2000)				
1999	Design sewer main and electrical water distribution		✓	✓
2000	Runway and taxiway extension & structural upgrade	✓	✓	✓

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Table 6-1 (cont.)
Development Phasing Plan

FY	Project Description	Federal Funds	State Funds	Local Funds
Phase II (2001 – 2005)				
2001	Install utilities	✓	✓	✓
2002	Runway, taxiway, apron and roadway pavement	✓	✓	✓
2002	Auto parking construct		✓	✓
2003	Taxilanes Construct	✓	✓	✓
2004	Instrument approach system relocate NDB to south corner of airport		✓	✓
2005	Instrument approach system install GPS equipment	✓	✓	✓
Phase III (2006 – 2010)				
2006	Landside utilities airpark prep	✓	✓	✓
*	Access road construct south of airport	✓	✓	✓
*	Apron extension north of airport	✓	✓	✓
*	Airpark facilities construct			✓
Phase IV (2011 – 2015)				
*	Land acquisition off of Rwy 32	✓	✓	✓
*	Hangars construct north of airport			✓
*	Prep Landside for airpark extension	✓	✓	✓

* Timing determined when demand trigger points have determined the need for programming and development.

6.2.2 Funding Sources

Funding from federal, state, and local sources are available and used through a cooperative effort for airport development projects.

Federal Funding

The Federal Airport Improvement Program (AIP) continues to be the primary funding mechanism. The program authorizes dissemination and use of monies from the National Aviation Trust Fund in the forms of entitlements and discretionary grants. Entitlements are based on levels of passenger enplanements (minimum of 10,000 annual enplanements). Discretionary grants fund 90 percent of airport projects that meet the eligibility requirements.

Another federal source is the Facilities and Equipment (F&E) section of the FAA. The F&E funds navigational aids and air traffic control towers when the activity level warrants the need for such facilities.

State Funding

The State of Arizona has made available the Arizona Aviation Fund, which is funded by state taxes levied on aviation fuel, flight property, aircraft registration lieu tax, and registration fees. The Transportation Policy Board sets the distribution policies of these monies. Up to one half of the local share on federal AIP projects or 90 percent on state local projects can be funded by the Arizona Aviation Fund.

The State Airport Loan Program is also available for funding airport development, but the availability is subject to the State's aviation revenue generated.

Local Funding

LHC Municipal Airport has available the Airport Enterprise O&M Fund within the City's accounting system, which can be used to support the local share of airport development projects. Other options the Airport can consider for local funding sources are bonds, bank financing, and third-party/private support.

6.3 CAPITAL IMPROVEMENT PROGRAM

Once the need for programming and development of an airport project has been realized, the project should be incorporated into the Airport's Capital Improvement Program. At this time specific needs of actual demand and levels of cost and funding availability can be more accurately determined. Projects listed in the CIP are considered high priority and steps should be taken for implementation.

The CIP serves as an effective planning tool for the Airport. In response to airport activity demand, it represents a realistic development schedule established with the consideration of economic feasibility. Table 6-2 lists the capital improvement projects for LHC Municipal Airport.

Included in the Airport's CIP is the landside utilities airpark prep project. Although the project is scheduled for the third phase of the Development Phasing Plan in the year 2006, the level of facility requirement warrants programming the project into the CIP.

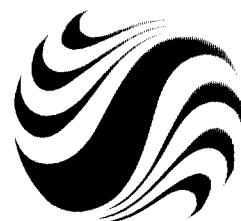
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Table 6-2
Capital Improvement Projects

FY	Project Description	Federal Funds	State Funds	Local Funds	TOTAL
1999	Design sewer main and electrical water distribution	NA	\$67,500	\$7,500	\$75,000
2000	Runway and taxiway extension & structural upgrade	\$5,779,714	\$283,717	\$283,717	\$6,347,148
2001	Install utilities	\$1,365,900	\$67,050	\$67,050	\$1,500,000
2002	Runway, taxiway, apron and roadway pavement	\$387,000	\$19,000	\$19,000	\$425,000
	Auto parking construct	NA	\$28,800	\$3,200	\$32,000
2003	Taxilanes Construct	\$443,900	\$21,800	\$21,800	\$487,500
2004	Instrument approach system relocate NDB to south corner of airport	NA	\$13,500	\$1,500	\$15,000
2005	Instrument approach system install GPS equipment	\$91,060	\$4,470	\$4,470	\$100,000
2006	Landside utilities airpark prep	\$364,240	\$17,880	\$17,880	\$400,000
TOTAL		\$8,431,814	\$456,217	\$418,617	\$9,306,648

Source: Airport Manager, March 1999





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